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United Kingdom Agricultural Production and Price-Support Policy

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Agricultural producers in the United Kingdom went through a crisis after World War I, which was resolved by governmental assistance in the form of domestic agricultural subsidies and certain restrictions upon imports. During World War II British agriculture has been greatly expanded under the protection of absolute governmental control over imports and with the help of guaranteed prices and assured markets to meet wartime requirements. As a result, much concern has been expressed in the United Kingdom as to what adjustments in production and what governmental measures would be required to maintain a healthy and prosperous British agriculture in the post-war period. A question raised in many quarters outside the United Kingdom that has an important bearing on post-war trade in agricultural products is whether the British Government will, after the transition period, continue to subsidize home agriculture and, if so, whether it will do this in such a manner as to require other measures to protect producers from foreign competition. The purpose of this article is to note the steps which were taken to meet the problems that arose after the last war and during the present war with respect to British agriculture and some of the problems that may affect the formation of future policy.

Origin of Price-Support Measures

From 1914 to 1920 British agriculture enjoyed a period of prosperity. The decline in crop acreage, which had been going on since 1872, was halted temporarily, and important gains were made in the conversion of grazing lands to the production of food crops. Livestock numbers were at the same time remarkably well maintained despite the shortages of feedstuffs, which became acute toward the end of World War I. In order to stimulate wartime output of agricultural products, the Crop Production Act of 1917 was passed. It guaranteed prices of agricultural products through 1922 and established a board system to guarantee minimum wages for agricultural labor.

The repeal of the farm-price and farm-wage guaranties in 1920 subjected agriculture in the United Kingdom to the shock of the abrupt decline in world prices of agricultural products in 1921-22. Producers met the situation by reducing production costs as best they could. Among other developments that took place, the number of agricultural laborers

was reduced, farm wages were lowered, and land being utilized for crop production was laid down to grass. As the acreage under cultivation steadily declined, and the population of the countryside tended to migrate to the urban areas, opinion developed in favor of positive governmental steps to place the agricultural industry of the country on a more productive and profitable basis and improve the standard of living among farm workers.

DECLINE OF BRITISH AGRICULTURE BETWEEN 1922 AND 1932

The decline in agricultural prices throughout the world during 1921 and 1922 was felt in Great Britain particularly by producers of those commodities with respect to which there had been a great wartime expansion of production and which were most directly competitive with foreign production after the wartime obstacles to trade were removed. The largest increases in acreage during 1914-18 took place in the case of wheat, oats, and potatoes. (See table 1.) The crop of wheat for 1918 was 59 percent above the 10-year pre-war average, of oats 41 percent, and of potatoes 50 percent. Livestock numbers, on the other hand, showed smaller changes. The number of hogs in 1919 was 26 percent below that of 1914.

TABLE 1.—*Acreage of selected crops and of grass in Great Britain,¹ as of the first week in June, specified years*

Item	1914	1918	1921	1925	1930
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Wheat ²	1,868	2,636	2,041	1,548	1,400
Barley or bere ²	1,699	1,654	1,606	1,471	1,127
Oats ²	2,849	4,024	3,161	2,794	2,640
Potatoes	614	803	712	635	548
Turnips and swedes	1,476	1,308	1,306	1,202	1,044
Mangolds	434	404	377	360	280
Sugar beets	2	1	8	56	349
Flax	1	20	8	5	8
Hops	37	16	25	26	20
Total crops and fallow	10,430	12,403	10,942	9,835	8,982
Clover, sainfoin, and grasses under ro- tation	1,963	1,836	2,168	2,125	2,006
Permanent pas- ture (exclusive of heath or moun- tain land)	1,900	1,614	1,858	1,951	1,917
For hay	4,942	4,447	4,195	4,468	5,222
Not for hay	12,664	11,449	11,711	12,081	11,895

¹ Comparisons for the years 1914-30 are made in terms of data for Great Britain, because statistics prior to 1922 for the United Kingdom included all Ireland and Great Britain, rather than Northern Ireland and Great Britain as do present United Kingdom figures.

² Mixed grain included with wheat, barley, and oats in 1914.

Compiled by the Office of Foreign Agricultural Relations.

*Office of Foreign Agricultural Relations.

The number of sheep, which began to decline in 1917, decreased by 11 percent in 1919 as compared with 1914. Numbers of cattle, including those not in milk, remained remarkably stable throughout World War I.

Crops as a whole showed greater declines in prices than did livestock and livestock products, the greatest being in the case of wheat, hops, and potatoes. Between the 1920-21 and the 1922-23 harvests, prices of these commodities declined precipitously and remained low during the 1920's. By the harvest of 1929-30, the price of hops was 56 percent below that of the 1911-13. The price of potatoes was 9 percent below the pre-war level and of oats, 6 percent. Prices of livestock for slaughter and of dairy products remained at a higher level all during the decade than did prices of most crops. Surveys indicated that producers of commodities that could be marketed and consumed locally, particularly milk and vegetables, suffered less from the agricultural depression than did the producers of the commodities that could be easily imported and distributed locally in competition with domestic products.

The areas in grains, potatoes, and most feed crops declined steadily from 1921 to 1930. (See table 1.) The acreages of the various crops decreased as follows: Wheat from 2,041,000 to 1,400,000 acres, potatoes from 712,000 to 548,000 acres, and turnips and "swedes" from 1,306,000 to 1,044,000 acres. The total area in grains, root crops, and other feed crops had declined to 8,366,000 acres by the year 1930 as compared with 10,316,000 in 1921 and 9,874,000 in 1913.

The cultivated area diverted from crop production was largely laid down to pasture. Livestock numbers and the area in permanent grass increased substantially during the decade. Numbers of cattle increased from a total of 6,700,000 to 7,100,000 and of sheep from 20,500,000 to 24,000,000. Hog numbers, except for short-term cycles, showed little change. (See table 2.) The area in permanent pasture increased from 15,900,000 to 17,100,000 acres, and the area in grasses and clover under rotation remained almost constant.

The volume of British imports of wheat; meats, with the exception of mutton and lamb; poultry

products; and dairy products, with the exception of cheese, showed some large fluctuations from 1919 to 1923. With greater stabilization of world production of agricultural commodities, the pattern of British import requirements for agricultural products became more perceptible. By 1923, imports of meats and butter into the British Isles were running considerably above the 1913 level. Cheese imports, which had remained steady during each of the war years, continued slightly above the 1913 level, and imports of eggs in the shell, which had been greatly reduced during the war, had almost attained the pre-war level.

TABLE 3.—Imports into the United Kingdom of selected commodities, 1925-30

Commodity	1925	1926	1927	1928	1929	1930
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Wheat.....	10,848	10,781	12,369	11,601	12,518	11,735
Barley.....	1,767	1,296	1,839	1,453	1,342	1,703
Oats.....	937	856	662	834	776	1,079
Corn.....	3,090	3,560	4,696	3,698	3,910	3,826
Beef: Chilled.....	922	1,084	1,165	1,071	1,042	1,018
Frozen.....	462	401	335	292	265	279
Mutton and lamb, frozen.....	609	607	624	638	640	726
Bacon.....	838	837	950	992	927	1,029
Hams.....	170	134	100	106	115	112
Butter.....	656	652	652	685	717	764
Cheese.....	347	338	330	337	335	349

¹ Excluding margarine cheese.
Compiled by Office of Foreign Agricultural Relations from official United Kingdom statistics.

Imports continued to increase, though at a reduced rate, from 1925 to 1930. (See table 3.) Imports of wheat increased by nearly 15,000,000 bushels, mutton and lamb by 115,000,000 pounds, and bacon and ham by about 135,000,000 pounds. Although domestic production of dairy products rose gradually during 1925-30, a greater rise took place in the volume of imports. Cheese imports remained quite stable, but imports of butter in 1931 totaled 247,000,000 pounds above those of 1925. Thus, three conditions were in evidence which gave weight to the argument that the Government should intervene to assist agriculture: The cultivated acreage showed a decline each successive year from 1920 to 1932; imports of grains, and of livestock products as well, had steadily increased; and the number of agricultural laborers had declined by approximately 20 percent.

ADOPTION OF INTERVENTIONIST POLICY

The prophecy made in 1921 (15) ¹ was confirmed that the pre-war tendency of British farmers to shift tillable acreage to grass would probably continue if a *laissez-faire* policy were followed by the Government

TABLE 2.—Livestock numbers in Great Britain, specified years

Type	1914	1918	1921	1925	1930
	Thousands	Thousands	Thousands	Thousands	Thousands
Cattle.....	7,093	7,410	6,660	7,368	7,086
Sheep.....	21,286	23,353	20,490	23,094	23,965
Pigs.....	2,634	1,825	2,651	2,798	2,454

with respect to agriculture. This tendency perhaps more than any other factor influenced British opinion in favor of State intervention to assist domestic agriculture. Opinion developed strongly favoring governmental action that would place British agriculture on a more productive and profitable basis and raise the standard of living for farm workers. A White Paper, issued by the Government in 1926, pointed out that agricultural subsidies had been considered, but that the Government deemed them unsound; instead, the Government would endeavor to assist agriculture by promotion of more efficient production and marketing.

During the same period consideration was given also by the British Government, at the Imperial Economic Conferences, to the question of developing production and trade within the Empire. As early as 1917, at the Imperial War Conference, a resolution had been adopted favoring all possible encouragement of Empire resources and especially favorable treatment of trade within the Empire. In 1923, the following resolution (*13*, p. 238) was adopted at the Empire Conference of that year:

This Imperial Economic Conference, holding that, especially in present circumstances, all possible means should be taken to develop the resources of the Empire and trade between the Empire countries, desires to reaffirm the Resolution on the subject of Imperial Preference passed by the Imperial War Conference of 1917.

In the interim periods, between the 1917 and 1923 conferences and the 1923 and 1926 conferences, the United Kingdom extended preferences to other parts of the Empire considerably, particularly with respect to fruits and wine.

The Agricultural Wages Act of 1924 reestablished in England and Wales the board system of guaranteeing agricultural wages and provided for the regulation of working hours and minimum wage rates for farm workers. Farmers and their representatives thereafter repeatedly pointed out that agricultural producers could not pay wages to farm workers at the fixed levels while subjected to foreign competition which tended to reduce the prices received for domestically produced agricultural products. National-defense reasons, together with mention of the added employment to be gained, were also advanced in support of production subsidies.

While the Government's program for Empire preference was not at first generally supported by agriculture within the United Kingdom, it was made more palatable by the suggestion from groups interested in Empire preference that domestic wheat producers, for example, should be protected by a

system combining import quotas and a guaranteed price. As a result of 14 meetings held in 1931 by a joint committee representing the Empire Economic Union (acting on behalf of the Federation of British Industries, the National Union of Manufacturers, and of other industrial and economic organizations) and agricultural representatives, the following conclusions, among others, were reached:

It is for the representatives of agricultural Britain to remember that every measure which contributes to the prosperity of industrial Britain enriches their best, indeed, their only market, and that it is in their interest to take the broadest view, both of our industrial tariff here at home, and of any concessions given to Dominion agriculture in return for preferences to our manufacturers. . . .

The case of wheat, so far at least as our home production is concerned, is not one which can be met by any duty that it would be justifiable to impose. We consider that it can only be dealt with adequately by a system combining a quota and a guaranteed price.

With a view to improving standards of living among agricultural workers and farmers, legislative steps were taken to establish agricultural marketing boards in order to secure more efficient handling and marketing methods and to obtain better prices for farm products.

The Agricultural Marketing Act, passed in 1931, empowered the Ministry of Agriculture and Fisheries to establish marketing boards representative of producers. In the same year the Horticulture Import Duties Act was passed, which levied a duty on imports of horticultural products from outside the Empire. These were followed in 1932 by the Wheat Act, first of a series of measures for assisting agriculture by the payment of subsidies, and the Import Duties Act, which imposed a 10-percent tariff upon all imports from outside the British Empire, with important exceptions as to grains and livestock products. With the passage of the Agricultural Marketing Act of 1933, under which the procedure for establishing marketing schemes was changed and imports could be placed on a quota or license basis, the machinery was complete for restricting imports of competitive agricultural products, as contrasted with the traditional free-trade policy of the United Kingdom that existed prior to 1914.

Subsidy and Marketing Schemes

WHEAT

The grower, under the Wheat Act (1932), sold his millable wheat in the competitive market and received payments for the difference between the average market price for home-grown millable wheat and

the "standard price" (fixed by the Wheat Act) of 10 shillings per hundredweight (97 cents per bushel at the average rate of exchange during the August-July crop year 1932-33). Growers all received the same rate per hundredweight in deficiency payments and each on the basis of his certified sales of millable wheat. There were no quotas for individual growers. The Act originally provided for payments on the basis of a national quota of 27,000,000 hundredweight (50,400,000 bushels) of millable wheat, but this was amended in 1937 to allow payments on the basis of 36,000,000 hundredweight (67,200,000 bushels) as from August 1 of that year. When the total sales of millable wheat for a given year exceeded the national quota, the deficiency payments were reduced proportionately.

Funds for payment of the wheat subsidy were obtained by a levy on all flour used domestically, whether milled in or imported into the United Kingdom.

In years when world wheat crops were short and prices not greatly below the United Kingdom "standard price" of 10 shillings per hundredweight, as was the case in 1936 and 1937, the subsidy was comparatively small. In 1938, however, when world wheat prices slumped, and the home crop was larger, the subsidy increased greatly. (See table 4.)

TABLE 4.—*Deficiency payments for wheat in the United Kingdom, crop years 1932-33 to 1938-39*

Year	Total	Per cwt.	Total	Per bushel
	<i>1,000</i>		<i>1,000</i>	
	<i>£'s</i>	<i>s.</i> <i>d.</i>	<i>dollars</i>	<i>Cents</i>
1932-33	4,510	4 5.25	16,327	43
1933-34	7,177	4 10.30	35,665	65
1934-35	6,810	3 9.55	33,537	50
1935-36	5,646	3 4.26	28,022	44
1936-37	1,339	1 1.53	6,603	15
1937-38	1,933	1 7.00	9,621	21
1938-39	9,370	5 0.56	44,189	64

Compiled by the Office of Foreign Agricultural Relations.

Production, under the operation of the Wheat Scheme, increased from 43,605,000 bushels on 1,343,000 acres in 1932 to 61,413,000 bushels on 1,766,000 acres in 1939.

POTATOES

There was no payment of subsidies on potato production in Great Britain prior to World War II. Under the Potato Marketing Scheme, however, which operated from 1934 to 1939, the Potato Marketing Board was able to assist in the stabilization of prices, through regulation of quantities available for human consumption on the basis of size, by the establishment of a national basic potato acreage, the imposition of

a levy on excess acreage, and through activities of local price committees.

Two conditions led to the assistance of potato growers. There had been a sharp rise, from 1931 to 1933, in the domestic potato acreage in Great Britain, the area increasing from 575,000 acres in 1931 to 671,000 acres in 1933. Price fluctuations had been the cause of much hardship to producers, since the larger crops usually resulted in a decided fall in prices. The average wholesale prices ranged, for example, from 191 shillings per long ton (about \$1.16 per bushel) in 1931 to 79 shillings per long ton (45 cents per bushel) in 1933.

Under the Potato (Import Regulations) Order, 1934, imports of potatoes from foreign sources and from Eire were subjected to import duties and quantitative regulation. The duty was seasonal and fairly moderate. For the main crop it amounted to £2 per long ton (\$9.02 per short ton) from July 1 to August 31, and £1 per long ton (\$4.44 per short ton) for the rest of the year. For early potatoes, the duty was the same as for the main crop from July 1 to October 31, but from November 1 to June 30 it was £4 13s. 4d. per long ton (\$20.83 per short ton).

To protect home growers from an influx of foreign-produced potatoes, imports were placed under a license system administered by the Government. Only those imports needed above domestic production to meet consumer requirements were allowed entry. Import quotas were fixed by the Government after consultation with the market-supply committee, which in turn consulted the Potato Marketing Board.

The Potato Marketing Board assisted in establishing Price Recommending Committees, which suggested the prices considered desirable. During the 1936-37 and the 1937-38 seasons, 29 of these committees were established. The Board also set up 17 Market Plans Committees to arrange minimum wholesaler-retailer prices. Prices appear to have been more stable in areas where the committees operated than elsewhere. Acreage and average prices for the country as a whole were definitely more stable under the operation of the potato scheme than during the years preceding its inauguration. The acreage planted during the period of the Board's control and the wholesale prices for the corresponding year were as follows:

Year	Acre	Price per long ton	Price per bushel
1934	546,000	97s. 9d.	80.66
1935	522,500	136s. 3d.	89
1936	511,000	153s. 6d.	1.02
1937	517,000	114s.	.75
1938	537,000	89s.	.58

SUGAR BEETS AND OTHER CROPS

Producers of sugar beets were subsidized directly from the Exchequer from 1925 to 1939. They were paid a contract or fixed price on a limited aggregate acreage for which the Sugar Corporation might enter into contracts. The United Kingdom sugar-beet acreage, which totaled 3,000 acres in 1920 and 56,000 acres in 1925, increased to 129,000 in 1926, 233,000 in 1927, and, with some fluctuation, up to 345,000 acres in 1939. An important factor in the establishment and continuance of the sugar-beet scheme was the savings to the State in the cost of unemployment assistance. In 1935, the National Farmers' Union alleged that the industry found employment annually for 10,000 men on the land and 30,000 men in industrial occupations at no net cost to the country (16, p. 15).

From 1937 to 1939, producers of barley and oats who did not grow wheat for sale, and therefore did not receive the wheat subsidy, were paid a special subsidy. The subsidy under the 1937 scheme became payable on both barley and oats, when the price of oats fell to 7 shillings 7 pence per hundredweight (about \$1.65 per 100 pounds). It amounted, per acre, to six times the difference between the market price and the "standard price" of 8 shillings per hundredweight (about \$1.75 per 100 pounds), subject to maximum subsidy of £1 (about \$4.85) per acre, and on an acreage limited to 110 percent of the acreage for oats and barley qualifying for payment in 1937. As in the case of wheat, if production exceeded the quota, the rate of the subsidy was reduced proportionately.

The 1939 amendments to the oat and barley subsidy scheme liberalized payments to certain classes of oat producers and established a separate barley scheme which, in the 1939 barley year, authorized the payment of a subsidy from revenue provided by (1) a levy on the use of barley by manufacturers, (2) a levy on the importation of barley, and (3) money authorized by Parliament. Rye is a relatively unimportant crop in the United Kingdom, and there was no direct subsidy on its production prior to the present war.

Hops, also grown on a small scale, were a particularly speculative crop because of foreign competition and the high cost of production. Since they were sold exclusively to the brewing industry, a scheme between producers and the breweries was organized in 1925, providing for a guaranteed price for a fixed quantity annually. Acreage reductions by members of the scheme, however, redounded to the benefit of

nonmembers, who increased their acreage. Unable to control overproduction, the scheme was voluntarily liquidated in 1929, after operating for 4 crop years.

Hop growers were, however, quick to organize in pursuance of the Marketing Act of 1931. The Hops Marketing Board, set up in 1932, was given more authority than any of the other commodity-marketing boards. Producers could sell their hops only through the Board, which stabilized prices at a high level by entering into a contract with the Brewers' Society. Growers were paid an agreed price for a fixed quantity annually.

LIVESTOCK PRODUCTS

The control² of bacon and ham imports from 1933 to 1939 was linked with a complicated scheme of internal marketing that was directed toward increasing and stabilizing the market for domestic bacon through a system of contracts entered into a year in advance at agreed minimum prices. To ensure absorption within the country of the contracted British bacon, imports from foreign countries were limited so as to maintain the total annual supply of bacon and ham at 10,670,000 hundredweight (1,195 million pounds).

When the domestic scheme was introduced in 1932, the chief foreign exporting (non-British) countries were asked to reduce voluntarily their exports of bacon and ham to the United Kingdom by 15 percent. This reduction was achieved. The following year still greater reductions, amounting to another 20 percent, were requested. This request was made because of the large number of pigs contracted for under the Pigs Marketing Scheme and the increased shipments from the Dominions, principally Canada, and Eire. The foreign countries did not agree to this reduction; so the Bacon (Import Regulation) Order, 1933, which operated from December 1, 1933, was issued. This order imposed a system of licenses and quotas upon the import of meat from all foreign (non-British) countries and enforced a 16-percent reduction. Although the domestic scheme subsequently enjoyed a checkered career, this regulation of foreign supplies of bacon and ham continued until the outbreak of war in 1939.

The Cattle Industry (Emergency Provisions) Act, 1934, which provided for a subsidy of not exceeding 5 shillings per hundredweight (about \$1.12 per 100 pounds) for live animals or 9 shillings 4 pence per hundredweight (about \$2.10 per 100 pounds) for

² That portion of this section covering meat control was largely prepared by Maurice E. Wright, Office of Foreign Agricultural Relations.

carcasses, was from time to time extended until it was superseded in July 1937 by the Livestock Industry Act of 1937 (2, pp. 138-142). The last extension was made in July 1936, at which time the Government announced comprehensive proposals for the stabilization of domestic production and prices of beef and quota regulation of beef imports. The measures adopted, which contained provisions for carrying out the proposals, were the Argentine Trade Agreement, 1936, the Livestock Industry Act, 1937, and the International Beef Agreement, 1936, establishing the Beef Conference.

The Livestock Industry Act, 1937 (10), provided for a Livestock Commission to keep under review the production, marketing, and slaughtering of livestock and to advise the Ministers on matters affecting the industry, including the administration of a cattle-subsidy scheme for which funds not exceeding £5,000,000 were to be provided by the duty levied on foreign meat imports (9). In addition to further powers granted over the livestock markets, the Act gave the Board of Trade authority to regulate imports of livestock and meat by Order.

The Beef Conference assumed the task of regulating shipments of chilled and frozen beef to the United Kingdom in 1937.³ The Chairman was appointed by the United Kingdom Government. Argentina, Australia, Brazil, Eire, New Zealand, and Uruguay were each represented by one member. The United Kingdom representative watched the interests of small suppliers, including Canada, the Union of South Africa, Southern Rhodesia, and the Bechuanaland Protectorate. Representatives from the Empire and overseas Dominions formed an Empire Beef Council, which considered the Empire aspect of any question brought before the Conference.

The main object of the Conference was to ensure, in the interests of producers and consumers alike, an orderly adjustment of supply to demand, having regard to the seasonality of supplies and the potentialities of production in the several producing countries. To carry out this object, the Conference, subject to conditions stated in the Beef Conference Agreement, made recommendations with regard to the total quantities of beef end of the various classes of beef to be exported to the United Kingdom (17).

The net effect of the beef program was to enable home producers to maintain their position in the market, to stabilize prices, and to give Australian and New Zealand producers a larger share of the market,

while reducing that of non-Empire countries. Australia's percentage of the United Kingdom imports of frozen beef rose from an average of 36.3 for 1929-31 to 53 percent for 1938, and of chilled beef from 0 to 6 percent. New Zealand's share for the same years rose from 12.8 to 17.1 percent for frozen beef and from 0 to 4 percent for chilled beef. Argentina supplied about 30 percent of the United Kingdom's total frozen-beef imports and 86 percent of the chilled beef imported during the years 1929-31. This was reduced to almost 20 percent for frozen beef and to slightly less than 77 percent for chilled beef in 1938.

Total imports of chilled and frozen beef and veal from Empire and non-Empire countries increased from an average of 658,000,000 short tons during 1929-31 to 711,000,000 tons in 1938. The increase in domestic production was only slightly less, rising for the agricultural year ending May 31, from 618,000,000 tons in 1930-31 to 670,000,000 tons in 1937-38.

Provision for a fat-sheep-subsidy scheme, patterned after the wheat scheme, was contained in the Agricultural Development Act of 1939. It provided that payments should be made with respect to sales of fat sheep produced in the United Kingdom to the amount by which the average market price for the month was less than the "standard price." A basic standard price was set by the Act at 10 pence (18 cents) per pound of dressed-carcass weight, which would be reduced if the sheep population rose above 27,000,000. To carry out the purpose of the Act, appropriate Ministers were authorized to determine the times and places at which sheep might be imported into the United Kingdom from Eire or the Isle of Man. No restrictions of imports by licenses or quotas were required, however, for the operation of the fat-sheep scheme, since it allowed free competitive marketing of both domestic and imported products, as was the case in the wheat scheme.

Milk Marketing Boards, which represented milk producers, regulated the marketing of milk from 1933 to 1939, in England, Wales, and Scotland. The Boards fixed minimum contract prices to be paid by manufacturers and prohibited any sales of fluid milk below those prices. A pool price was paid to farmers, which was the average price of all milk sold in a pool district for the month, with allowances for various charges and premiums, including subsidy payments. The subsidy, paid on milk sold for manufactures, amounted to the difference between the average price at which milk was sold and a guaranteed price for all milk, which was fixed at a level to assure farmers a reasonable margin of profit above costs of production (14).

³ For collection of statements bearing on international phases of British meat policy see (4, Ch. VI).

TABLE 5.—Price realized for milk, in the United Kingdom, weighted by seasons, 1933–38

Year and season	For fluid consumption	Average for manufacturing ¹	Weighted average, pool prices
	Pence per gallon	Pence per gallon	Pence per gallon
Winter 1933–34 ²	15.5	-----	13.54
Summer 1934 ²	12.0	5.56	10.46
Winter 1934–35.....	16.5	6.29	13.82
Summer 1935.....	13.7	5.26	10.57
Winter 1935–36.....	17.0	6.03	13.60
Summer 1936.....	13.5	5.11	10.30
Winter 1936–37.....	17.6	6.01	14.09
Summer 1937.....	13.5	5.70	10.87
Winter 1937–38.....	17.7	7.47	15.21
Summer 1938.....	14.8	6.64	11.81

¹ Including Government subsidy which became effective for the first season in the summer of 1934.

² Excluding the southeastern region.

Compiled by the Office of Foreign Agricultural Relations from Agricultural Economics Research Institute (3, p. 113). The value of the British penny in U. S. currency averaged 2.67 cents in 1933–34, 2.05 in 1934–35, 2.06 in 1935–36, 2.06 in 1936–37, and 2.07 in 1937–38.

The average price of milk realized by producers rose only slightly under the milk scheme, but the subsidy paid on milk for use in manufacturing permitted the cheese manufacturers to purchase milk at a price low enough to enable them to compete with the cheddar type of cheese imported from New Zealand. The greater increase in the price of milk sold for use in manufacturing than that of milk sold for consumption in fluid form (table 5) had the effect, however, of steadily diverting a larger percentage of the total milk consumption away from the fluid-consumption trade and into manufacture. In the winter of 1933–34, 17 percent of all milk sold under the milk-marketing scheme went into manufactures; in the winter of 1936–37, it was nearly 26 percent. In the summer months, because of the seasonally larger output, the quantity moving into manufactures is always much larger than in the winter. This percentage also increased under the milk scheme, being 31 percent of all sales in 1934, 40.5 percent in 1936, 36 percent in 1937, and the same in 1938.

Wartime Developments

SUBSIDY PROGRAM

The pre-war system of making deficiency subsidy payments, covering a limited aggregate acreage for respective commodities to meet the difference between the average price received by producers and a goal price fixed by the Government, was terminated at the beginning of the war. It was superseded by programs that assure prices at which the Government will purchase all that farmers can produce of those food crops, and certain other crops, such as flax, which have been designated as essential to meet wartime requirements.

With view to obtaining maximum production, and influenced by the fact that the general financial position of agriculture before the war was regarded as unfavorable, except on the more efficient farms, wartime prices have been fixed by the Government at levels that should allow profits on less efficient as well as the more efficient farms (12, p. 12). The Minister of Agriculture has summarized his Ministry's policy with respect to wartime prices as follows (6):

When I was first appointed Minister of Agriculture information in the possession of my Department convinced me very quickly that agriculture pre-war had been a definitely underpaid industry. It was clear, too, that Dunkirk and all that it involved meant that we should have to make a much greater demand on farmers than had been contemplated hitherto. I reached the conclusion that if agriculture was to make the necessary response, was going to expand production, above all was going to undertake the revolution in methods which was necessary, it would not be sufficient to improve prices here or there but that we had to make efforts to improve the general level of remuneration in the industry as a whole. I set myself, with the consent of my colleagues, to the accomplishment of that task. . . .

In all parts of the country, on all types of farms and of soil and of climate, good and bad alike, we were asking for an unprecedented effort to increase production, and asking farmers to revolutionize their methods.

That is why the Government attached so much importance to improving the general financial position. . . .

The Government guarantees a market at fixed prices for livestock products, as well as for the main field crops and certain of the most needed market-garden crops. The guaranteed prices in the case of each essential commodity have been adjusted to levels that now make them considerably higher than the pre-war prices plus the pre-war subsidies. The guaranteed prices of wheat and potatoes are about 50 percent above the average prices received by farmers during 1934–38. In addition to the guaranteed price, producers have also received a special wartime subsidy of £3 (about \$12.10) in the case of wheat and of £10 (about \$40.30) in the case of potatoes for each acre harvested. These acreage payments have been made in order to obtain production of these essential crops on as large an acreage as possible for the purpose of meeting national wartime food requirements.

The British food-production policy, in line with that of other food-deficit countries during the war, has favored the conversion of as much production as possible from meats to the most productive of the food crops. If and when the acreage payments are terminated, the prices received for wheat and potatoes will not be above the general level of floor prices now existing in many other countries, including the United States.

The price of milk received by producers in the United Kingdom has also been increased from approximately 34 cents per U. S. gallon, received during February 1939, to 60 cents in the corresponding month in 1943. This increase in milk prices has been accompanied by a subsidy to encourage consumption. These steps together with other measures, which are a part of the Government's program for giving milk first place in the nation's nutrition policy, have resulted during the war in an increase of 37 percent in civilian consumption of milk in fluid form.

APPLICATION OF IMPROVED AGRICULTURAL TECHNIQUES

The British wartime agricultural program, while designed to achieve an expansion and adjustment of production to meet wartime food needs, has involved an extension of the application of improved agricultural practices that may have the effect of permanently increasing the efficiency of the agricultural industry. Important parts of the wartime program of the Ministry of Agriculture have been the expansion of its extension functions, particularly the demonstration of scientific agricultural methods; the classification of land according to the use for which it is suited; land improvement; and increased use of modernized equipment.

After its organization in 1919, the Ministry of Agriculture was particularly active with respect to the development of the agricultural sciences. It succeeded the Board of Agriculture and Fisheries, which was chiefly concerned with scientific research directed toward the improvement of agricultural production, and which had in turn grown out of a veterinary department of the Privy Council. Agricultural education, which was given less attention, was partly under the Board of Education and the county councils. During World War I, as a part of the food-production program, the advisory services were temporarily united under the Agricultural Production Board, operating within the Board of Agriculture and Fisheries. Between 1920 and 1939, there was an expansion of scientific research, but the advisory services were rather generally considered to be understaffed.

The Ministry, during the present war, has been successful in persuading farmers to take cognizance of the advantages to be gained from improved techniques and of actually putting those methods into practice. A War Agricultural Executive Committee, established by the Ministry in each county, has wartime authority to determine the use to which the land is being put and may, with the consent of the Ministry of Agriculture, take possession of and farm

any agricultural land that is not being utilized efficiently. Seizure of land, however, has seldom been necessary, since farmers have been willing to put into practice the methods recommended by the committees for increasing production.

The War Agricultural Executive Committees have set up technical committees and have employed trained agricultural specialists to work directly with farmers. They have taken over and expanded the advisory services formerly performed by the county councils or agricultural colleges. Farmers are shown on their own land, or on the land of their neighbors, methods that can be used to increase their production efficiency. In one case, methods of clearing land of a heavy growth of bracken or heather may be demonstrated; in another, the drainage of swamps, or the introduction of crops that the farmer has never before produced, may be undertaken. A farmer, having never grown a particular crop, may be of the opinion that his land is not suited for its cultivation. This situation is met by an alert official, liaison officer, or agricultural technical expert on soils, who demonstrates to the farmer that his soil is similar to that of a neighbor who is successfully producing the desired crop.

The plow-up program, which began in January 1939, and which during the war brought about more than a 65-percent increase in the tilled acreage, has reclaimed many acres of arable land and added much mechanized equipment to the capital resources of British agriculture. The passage of the Land Drainage Act of 1930 inaugurated land-reclamation work, and this was followed by the Agriculture Act, 1937. The former created Catchment Boards for dealing with large drainage areas, and both made provision for encouraging associations to carry out smaller scale drainage schemes.

Wartime reclamation work has been carried out by War Agricultural Executive Committees themselves and by individual farmers. Many types of ditching machines and machines for pulling or uprooting brush have been designed. To promote the use of efficient engineering methods, the Ministry of Agriculture brought drainage and engineering experts from the United States and also established the Agricultural Machinery Development Board and the National Institute of Agricultural Engineering for the purpose of perfecting and developing engineering equipment for farms.

From 1939 to 1944, the number of tractors in the United Kingdom rose from approximately 50,000 to 150,000. Greater use of machinery during the war has reduced costs and resulted in a larger output for the labor used (8).

PRODUCTION SHIFTS

The pattern of agricultural production and the volume of output in the United Kingdom have changed markedly as a result of the war. (See tables 6 to 8.) Major shifts in the acreage of crops and grasses in the United Kingdom since 1939 include increases in acreage of 83 percent for wheat, 78 percent for all grains, 102 percent for potatoes, and a reduction of 38 percent for permanent grass. The main feature of the over-all shift has been a reduction in the total area under grass and an increase in that under crops. Excluding rough grazing, there was, prior to the present war, twice the acreage in permanent grass as in crops and fallow. This relationship has been reversed. The acreage in permanent grass has been reduced from 18,773,000 to

TABLE 6.—*Acreage of crops and grass in the United Kingdom, according to agricultural returns of June 4, 1939-44*

Item	1939	1940	1941	1942	1943	1944 (preliminary)	Percentage change 1944 of 1939
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Percent</i>
Wheat.....	1,766	1,809	2,265	2,516	3,461	3,230	+82.9
Barley.....	1,013	1,339	1,475	1,528	1,784	1,980	+95.5
Oats.....	2,427	3,399	3,951	4,133	3,678	3,684	+51.8
Mixed corn.....	85	262	544	546	501	426	+401.2
Rye.....	18	22	51	70	135	125	+594.4
Total grain.....	5,308	6,832	8,285	8,793	9,558	9,446	+78.0
Beans, for feeding ¹	135	91	195	223	249	289	+114.1
Peas, for feeding ¹	37	39	64	69	65	58	+56.8
Potatoes.....	704	832	1,123	1,304	1,391	1,421	+101.8
Turnips, swedes, for fodder.....	2,727	2,763	837	858	830	827	+13.8
Mangolds.....	216	231	267	269	286	309	+43.1
Sugar beets.....	345	329	351	425	417	434	+25.8
Rape.....	65	87	118	154	167	185	+184.6
Cabbage, kale, etc., for fodder ³	107	132	214	201	214	221	+106.5
Vetches ⁴	53	41	64	69	79	78	+47.2
Lucerne.....	32	31	28	32	(5)	(5)	-----
Mustard: for seed.....	24	24	17	22	16	12	-50.0
for other uses.....	24	30	28	27	30	29	+20.8
Flax, for fiber or linseed.....	26	77	157	148	161	200	+669.2
Hops.....	19	19	18	18	19	20	+5.3
Fruit ⁶	301	300	310	302	301	299	-0.7
Vegetables for food ⁷	280	282	349	385	375	466	+66.4
All other crops.....	37	41	71	89	105	92	+148.6
Bare fallow.....	374	306	219	280	240	231	-38.2
Total of crops and fallow (tillage).....	8,813	10,486	12,714	13,666	14,502	14,617	+65.9
Temporary grasses for mowing and grazing ⁸	4,093	3,859	3,526	3,831	4,217	4,752	+16.1
Total arable land.....	12,906	14,346	16,240	17,497	18,719	19,369	+50.1
Total permanent grass for mowing and grazing.....	18,773	17,084	15,114	13,706	12,319	11,698	-37.7
Total acreage of crops and grass, excluding rough grazing.....	31,679	31,430	31,353	31,204	31,038	31,068	-1.9
Rough grazing.....	16,539	16,639	17,003	16,959	17,117	17,172	+3.8

¹ Includes acreage of crop grown for human consumption in Northern Ireland.

² Includes acreage of crop grown for human consumption in England and Wales.

³ Includes acreage of crop grown for human consumption in Scotland and Northern Ireland.

⁴ Includes maslin for threshing as grain in Scotland.

⁵ Included under "temporary grasses."

⁶ Includes acreage of small fruit only in Scotland, where the orchard acreage is returned under the crops growing beneath the tree.

⁷ Excluding potatoes and crops under glass in Scotland and Northern Ireland; acreage of vegetables only.

⁸ Including clover and sainfoin.

Source: Official statistics of the United Kingdom.

11,698,000 acres, whereas the total area in crops and fallow has been increased from 8,813,000 acres in 1939 to 14,617,000 in 1944.

This wartime shift has resulted in a large increase in the domestic supply of the crops returning the largest yields for food and stock feeding. The greatest increase in production has been in wheat. Almost 129,000,000 bushels of wheat were produced in 1943, more than double the quantity produced in 1939. Oat production has increased from nearly 136,000,000 bushels in 1939 to 214,000,000 bushels in 1943. Potato production increased from about 182,000,000 to 367,000,000 bushels in 1943. Mixed grain, beans, and peas for stock feeding, brassicas (cabbage, kale, kohlrabi, etc.) for fodder, and other crops produced for stock feed have shown large increases. Though there has been a great reduction in permanent grass, as noted above, the tilled acreage sown to pastures and in hay for mowing has increased.

The reduction in the acreage of permanent pastures by the conversion of much relatively unproductive pasture land that was overgrown in thickets to the production of grain and feedstuffs has enabled farmers to maintain their livestock with less acreage by cultivating their land more intensively. Greatly increased quantities of feedstuffs have been produced on individual farms by the maintenance of a rotation system in which cultivated pastures and meadows were substituted for the uncultivated permanent grass lands.

The total number of cattle in the United Kingdom in June 1944 was more than 7 percent above that of 1939, and the number of heifers in calf was estimated to be 41 percent above the total in 1939. The reduction in grazing area has resulted in a decrease of sheep numbers in the United Kingdom by 24 percent, although mixed farmers tend to pasture their sheep on cultivated pastures and graziers receive a

TABLE 7.—*Estimated production of principal crops in the United Kingdom, average 1936-38, annual 1939-44*

Item	Average 1936-38	1939	1940	1941	1942	1943	1944 (Preliminary forecast)
	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>
Wheat.....	61,637	61,413	61,263	75,338	95,834	128,762	117,300
Barley.....	35,699	41,626	51,519	53,386	67,479	76,579	81,619
Oats.....	135,800	140,210	202,440	227,220	248,710	214,130	213,570
Rye (threshing).....	400	400	440	1,040	1,800	3,800	3,600
Potatoes.....	181,924	194,729	239,081	299,037	350,669	366,685	368,066
	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>
Mixed grain.....	85	82	253	491	519	441	394
Sugar beets.....	3,070	3,952	3,557	3,613	4,395	4,211	4,338
Turnips and swedes for fodder.....	12,313	11,312	12,113	13,469	14,811	13,430	13,022
Mangolds.....	4,572	4,557	4,725	5,720	6,077	6,502	6,114
Hay.....	8,595	8,724	7,851	7,421	7,460	7,474	6,311

Compiled by the Office of Foreign Agricultural Relations from official statistics.

TABLE S.—*Livestock population in the United Kingdom, according to agricultural returns of June 4, 1939-44*

Item	1939	1940	1941	1942	1943	1944 (Pre- lim- inary)	Per- centage change 1944 of 1939
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Percent
Cows and heifers in milk.....	2,841	2,849	2,878	2,809	2,910	2,931	+3.2
Cows in calf but not in milk.....	480	488	524	588	640	651	+35.6
Total.....	3,321	3,337	3,402	3,397	3,550	3,582	+7.9
Heifers in calf.....	564	621	586	802	774	795	+41.0
Bulls for service.....	114	115	115	125	131	133	+16.7
Other cattle:							
2 years and older.....	1,229	1,301	1,167	1,214	1,226	1,359	+10.6
1 year and under 2.....	1,867	1,857	1,893	1,693	1,726	1,785	-4.4
Under 1 year.....	1,778	1,863	1,777	1,844	1,853	1,891	+6.4
Total cattle.....	8,873	9,094	8,940	9,075	9,260	9,545	+7.6
Sheep:							
Over 1 year.....	14,786	14,782	12,967	12,150	11,617	11,706	-20.8
Under 1 year.....	12,102	11,537	9,290	9,356	8,766	8,635	-28.6
Total sheep and lambs.....	26,888	26,319	22,257	21,506	20,383	20,341	-24.3
Sows for breeding.....	542	468	244	250	186	252	-53.5
Boars for service.....	34	32	18	19	15	21	-38.2
Others:							
Over 5 months.....	767	919	711	612	614	520	-32.2
2-5 months.....	1,872	1,778	1,114	812	667	667	-64.4
Under 2 months.....	1,179	909	469	451	347	415	-64.8
Total pigs.....	4,394	4,106	2,556	2,144	1,829	1,875	-57.3
Fowls:							
Over 6 months.....	31,039	33,880	35,647	27,104	23,346	23,397	-24.6
Under 6 months.....	38,491	32,874	22,436	26,398	23,025	26,904	-30.1
Total.....	69,530	66,754	58,083	53,502	46,371	50,301	-27.7
Ducks, total.....	2,882	2,660	2,326	2,645	2,640	3,004	+4.2
Geese, total.....	715	711	734	766	821	905	+26.6
Turkeys, total.....	1,230	1,118	916	901	896	995	-19.1
Total poultry.....	74,357	71,243	62,059	57,814	50,728	55,205	-25.8

Source : Official statistics of the United Kingdom.

hill-sheep subsidy that compensates them for moving their flocks to less desirable rough pastures.

FOOD-CONSUMPTION PROGRAMS

The British diet improved greatly from 1914 to 1939 (?). During that period the Government not only undertook to ascertain what foods and amounts of foods were being consumed and what changes were desirable in the light of modern advances in the knowledge of nutrition, but also initiated such programs as the milk-in-school scheme for raising nutrition levels. The Food (Defense Plans) Department was established in the Board of Trade in 1936 to make plans for the organization of a Ministry of Food in the event of war. The Ministry, organized in September 1939, undertook to make sure that ample food supplies of the type needed were made available to consumers.

Educational programs and the success of the Ministry of Food in maintaining the nutritional welfare of the nation during the war at a level equal in most respects to that prior to the war, when supplies were

plentiful, have affected public opinion tremendously with respect to the importance of proper nutrition. Although no official announcement has been made as to whether the Ministry of Food will be retained after the war, there seems to be wide public acceptance of suggestions that certain functions being performed by the Ministry should be continued. These include, particularly, the priority schemes for distribution of milk and vitamins to necessitous groups, elimination of unnecessary costs in marketing, and the acquisition and control over distribution of food-stuffs in short supply.

Direction of Post-War Policy

The British Government, as implied in the foregoing sections, has not announced a definite long-term agricultural policy for the post-war years. There are, however, straws in the wind—resolutions of agricultural groups, the announced 4-year plan, and statements by official committees and by the highest public officials—which indicate the principal problems involved and suggest the trend of thought that may congeal into such a policy.

Almost from the beginning of the present war, representatives of agricultural organizations in the United Kingdom have sought assurance of the position which the Government would take with respect to post-war agricultural problems. Guaranteed prices were contained in the legislation of World War I, but these were repealed soon after the war, with the result that agriculture felt the full effects of the world-wide price collapse in 1921 and 1922. The remedial steps taken by the British Government during the latter 1920's and the 1930's somewhat alleviated the unhappy condition of British agriculture. Those measures, part of a more or less universal movement to protect domestic producers by national legislation, were, however, restrictive of international trade and did not go to the roots of the British agricultural problem. With the thought of obtaining a healthy, prosperous, and balanced agriculture and avoiding a long period of uncertainty after the present war, various farm organizations and groups have advanced recommendations for a post-war program.

The proposals advanced by several of the most influential groups were consolidated and approved at a conference held in London, May 5, 1944, under the auspices of the Royal Agricultural Society of England, and attended also by representatives of various bodies, including the National Farmers' Union, a group of Peers, the Councils of Agriculture for England and Wales, landowners, the National Union of

Agricultural Workers, and certain trade unions. The program calls for prices that will yield a reasonable return to producers, as well as capital and agricultural labor; an efficient and healthy British agriculture that will produce the foodstuffs which the country is fitted to provide and which are most required to satisfy nutritional needs; and international and imperial cooperation in the "orderly regulation of production and marketing."

The heart of the policy approved at the May 1944 meeting is contained in the following statement:¹

The fundamental purposes of long term policy should be the proper use and management of the agricultural land of this country for the production of the foodstuffs which it is best fitted to provide and which are most required to satisfy nutritional needs while maintaining the fertility of the soil, the raising of the standards of rural life and the increase in the rural population.

It is essential on National grounds that British Agriculture should be maintained in a healthy condition, sufficiently prosperous to ensure a stable level of prices which will yield a reasonable return to the producer and on the capital employed in the industry and a scale of wages sufficient to secure a standard of living comparable to that of Urban Workers.

There should be a definite relation between the price level and costs of production.

Mixed farming should be encouraged to ensure soil fertility and regular employment throughout the year.

International and Imperial co-operation must be secured in the orderly regulation of production and marketing, as proposed in the Report of the Hot Springs Conference.

In return for a guaranteed price level, all Owners and Occupiers of Rural Land must accept an obligation to maintain a reasonable standard of good husbandry and good estate management, and submit to the necessary measure of direction and guidance, subject to provisions for Appeal to an impartial tribunal.

The incidence of Taxation should be such as will make it possible to plough back into the industry capital necessary for the provision and upkeep of fixed and movable equipment.

Adequate Credit facilities should be made available on as favourable terms as those enjoyed by other industries.

The provision in the joint statement that the fundamental purposes of long-term policy should be the proper use and management of the agricultural land for the production of the foodstuffs which the country is best fitted to provide and which are most required to satisfy nutritional needs (etc.), was contained in a report of the semiofficial Council of Agriculture, published in May 1943.⁵

¹ ROYAL AGRICULTURAL SOCIETY OF ENGLAND. POST-WAR AGRICULTURE. In Steere, Loyd V., Post-War Agricultural Policy Resolution Sponsored by the Royal Agricultural Society of England. U. S. Cons. Rpt. 15,853, 1 p. May 24, 1944.

⁵ See (5, p. 15). The Council was set up under the Ministry of Agriculture and Fisheries Act, 1919, and is composed of (1) representatives of the County Councils and County Boroughs, and (2) persons nominated by the Minister of Agriculture and Fisheries representative of the several sections of the agricultural (and horticultural) industry.

There are indications that the British Government is definitely tending toward a position that will prevent a decline in domestic agriculture similar to that which took place after the last war. With respect to agricultural prices, development of efficiency within the industry, adjustment of production to a peacetime basis, and nutrition, the essentials of a positive governmental program have been indicated. The announcements favor price-support measures for the transition period at least, but they contain no commitments as to a long-term policy that would be inconsistent with the principle that natural and economic advantages should determine the commodities produced in a given area.

With respect to the general questions of a healthy post-war agriculture, the Prime Minister on March 21, 1943, made the following statement:

If expansion and improvement of British agriculture is to be maintained, as it must be maintained, and a reasonable level of prices is to be maintained, as it must be maintained, there are likely to be substantial charges which the State must be prepared to shoulder.

On May 5, 1943, the Minister of Agriculture announced the proposal for a 4-year plan for agriculture that would cover the transition from war to peace and allow sufficient time for the formulation after the termination of the war in Europe of a long-term agricultural policy. As subsequently expounded by the Ministry of Agriculture, the plan includes a program for guaranteed prices and an assured market through the crop year 1947-48. Prices will be guaranteed at the wartime level for all milk, fat cattle, calves, sheep, and lambs produced until the summer of 1948. A review will be made by agricultural officials, in consultation with the National Farmers' Union of economic, financial, and other relevant material on the basis of which floor prices will be fixed in advance by the Government for livestock products and field crops.

During the period of the 4-year plan, ending in the summer of 1948, certain changes are contemplated by the Ministry in the character of the British agricultural output to meet changing national requirements in transition from war to peace, such as an expansion of milk production and of sheep and cattle raising for meat.⁶ The Ministry plans also to continue its program of improving agricultural techniques. The Agricultural Research Council will concentrate on strengthening the research organizations, and the Agricultural Improvement Council will be concerned in obtaining application of scientific

⁶ Information received by cable paraphrasing Minister of Agriculture and Fisheries, Debates, House of Commons, Dec. 5, 1944.

methods by farmers of all classes. Agricultural institutes will be expanded with a view to training larger numbers of students in various branches of agriculture, including market gardening, greenhouse work, commercial fruit growing, poultry keeping, and general farming.

In the Agricultural (Miscellaneous Provisions) Act, 1944, it is provided that the Minister of Agriculture and Fisheries shall establish and maintain a National Agricultural Advisory Service for giving, free of charge, technical advice and instruction on agricultural matters. There will be transferred to the Ministry persons who were, as of August 23, 1939, employed by a county council in connection with agricultural education or the giving of advice on agricultural matters. Persons in the universities or agricultural colleges who were engaged in giving technical advice on agriculture will also be transferred to the Ministry. The same Act provided facilities for increased capital for development of British agriculture by reducing the interest rate on agricultural loans from 5 to 3.5 percent and increasing the lending resources of the Agricultural Mortgage Corporation by approximately \$100,000,000.⁷

⁷ See (11). These provisions are also applicable to Scotland and Northern Ireland, though in the case of Scotland the Secretary of State shall exercise the authority rather than the Minister of Agriculture and Fisheries.

In conclusion, one should note that the British Minister of Agriculture, in a speech made on November 1, 1944, took a position against self-sufficiency in agricultural production. He indicated that British agriculture could achieve the necessary adjustment and efficiency that would enable the United Kingdom to enjoy the advantages of an international economic division of labor, given a rising standard of living and favorable trade conditions. He stated:

The area of our land is limited, and we can never hope to become self-sufficient as regards food. Our soil is not suited to the production of all we need of certain commodities. For example, we do not wish to maintain any longer than we need the terrific acreages of wheat and potatoes that we are at present growing. We are, after all, primarily suited to the production of livestock and livestock products, and the emphasis must be gradually changed over to these from crops for direct human consumption.

For a time, the Minister said, agriculture could make an important contribution by enabling the country to conserve its foreign exchange. However, he declared that in due course, as British overseas financial resources were increased and British standards of living raised, he believed that the United Kingdom would be able to absorb not only the food which countries overseas wished to send it but also the food which a healthy and well-balanced home agriculture should produce, and produce, also, at prices which would compare with average world prices.

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The People's Granaries of Liberated Italy

by VICTOR B. SULLAM*

Liberated Italy is faced with the problem of democratizing its economic institutions, while retaining Government controls and other restrictive measures that are vitally needed in wartime. The People's Granaries represent the first attempt of an area newly liberated from Fascist bondage to solve its food problems in the democratic way.

The Fascist Government had attempted to solve the problems of collecting domestically produced staple foods through a system of compulsory pools (*Ammassi*), which, created in 1936 to handle wheat, were gradually given the task of collecting other cereals, wool, olive oil, etc.¹ Farmers were required to deliver all their produce to the pools, except for fixed amounts needed for household consumption, seed, and feed. The pools were administered by Government officials or by State-appointed "leaders" of the quasi-compulsory "syndicates."²

The compulsory pooling of agricultural commodities was originally conceived of as a measure for the support of agricultural prices and the elimination of middlemen. During the war, however, the main aim of the pooling system was to ensure an adequate flow of domestic output from the farms into legal channels of distribution for consumption in urban areas. Effective control over farm disposal of production, never easy under the best of circumstances, becomes much more difficult in periods of shortages. In Italy, the task of ascertaining the output of individual holdings and of specific areas was greatly compli-

cated by the wider year-to-year fluctuations in yields, caused by the scarcity of fertilizers and farm power and by the upsetting of peacetime rotations. Regulations restricting consumption by producers could not be enforced. Ample milling facilities, many of which consisted of small units scattered throughout the country, facilitated unlawful disposal of grains. Large quantities of wheat and other cereals were thus sold on the black market where high prices more than offset the fear of punishment.

On the whole, the control of the collection and distribution of agricultural commodities was perhaps the weakest link in the Fascist administrative machinery. Yielding to German pressure, an attempt was made in the spring of 1943 to enact new legislation providing for local controls patterned after the German *Hofkarte* system. The collapse of the Fascist regime, the Allied invasion, and the Armistice did not permit application of the new provisions, at least in the Italian isles and in the southern part of the Peninsula.

The 1943 grain harvest in the liberated areas was one of the smallest on record partly because of military operations but, to a much greater extent, because of a severe drought. The change in administration, the flight of Fascist officials, and in general all the disturbances connected with war resulted in a relaxation of administrative controls. Important among these disturbances were the impairment of transportation and the weakened confidence in the value of the currency. Food shortages in urban centers, together with an inflationary increase in prices, favored the growth of the black market. Significantly enough, unlawful transactions in foodstuffs came to take place in the open, with the police striving to ensure orderly lines in front of what were called

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¹ HAZEN, N. WILLIAM. ITALIAN AGRICULTURE UNDER FASCISM AND WAR. Foreign Agr. 4: 627-702, illus. 1940. See pp. 640, 644, 646, and 663.

² For a description of the Syndicates, see reference in footnote 1, pp. 628-639.

"free market shops." In some surplus areas, and particularly in the Provinces that remained constantly under Italian administration, wheat collections were fairly satisfactory; in others, only token deliveries were made. In Sardinia the pools scarcely functioned at all.

In the early months of 1944 Italian and Allied authorities were faced with the task of strengthening the system of wheat collections, while overhauling institutions that had a definitely Fascist background. The peasant had been promised: "Thine will be the land, thine will be the crops." To him the pools, the fixed price, the milling permits were the symbols of Fascist oppression which should follow the black shirts and the fasces into oblivion. The great landowners saw in an uncontrolled wheat market a source of easy profits and in many cases aided and abetted it. In Sicily and Sardinia any form of control was further resented as emanating from the central Government, on which sundry groups are wont to place the blame for the economic and social evils of the poverty-ridden islands. Italian and Allied officials successfully withstood the pressure of different groups and developed a scheme of controls to be exercised by the people.

In the legislation enacted early in the spring of 1944,³ the system of crop collections appears as a modification of preexisting structures. In pronouncements of public officials, in the press, and on promotional posters, however, the new and significant term—the People's Granaries—appears. Within a few months this designation obtained official recognition and became part and parcel of the law of the land.

Under the People's Granaries, the central administrative functions are retained by the Ministry of Agriculture. On a Commune (township) level the control of wheat and barley deliveries is vested in a Communal Committee. The Committee is presided over

by the mayor and includes as voting members one representative each for the clergy, the large landowners, and the small and medium landholders; two representatives of the farm laborers; and an officer of the statistical division of the Ministry of Agriculture, who acts as secretary. The local commander of the Royal Police (*Carabinieri*) attends all meetings without the privilege of voting. Five voting members form a quorum, but at least two of these must be representatives of the small landholders and of the farm laborers.

The task of the Committee is as follows: To check all statements submitted by wheat and barley producers with regard to size of crop, amount retained for seed and family use, and farm-delivery quotas. The decisions of the committee shall be respected as "the expression of a popular judgment."⁴

The Committee assigns each farmer one ration point for farm supplies for each quintal (220 pounds) of wheat or barley produced. The amount of these points is then increased by another point for every quintal per hectare (about 1.5 and 1.9 bushels per acre for wheat and barley, respectively) produced by the individual farmer above the township average and diminished in the same proportion for yields below the average.

Achievements

An appraisal of the achievements of the People's Granaries must be preliminary, partly because grain collections have not yet been completed, partly because only preliminary information is available on the size of the 1944 grain harvest.

Unquestionably the Granaries have labored under great handicaps. The legislation on wheat and barley collections was issued shortly before the inception of the harvest, and price levels remained a controversial issue even after the harvest had begun.⁵ Harvesting and threshing machinery was partially immobilized by lack of repair parts and fuel shortages.

⁴ See reference in footnote 3, p. 51.

⁵ The price was finally fixed at the equivalent of \$2.45 and \$2.72 per bushel of common and durum wheat, respectively. Prices per bushel for the 1942-43 crop were 67 and 86 cents, respectively.

³ The text of the decrees, circulars, and administrative memoranda on the People's Granaries is to be found in REACTIVATION OF ITALIAN AGRICULTURE. (Decrees and Directives prepared and agreed upon by Italian Ministry of Agriculture and Forests and Headquarters Allied Control Commission, Agricultural Sub-commission.) 75 pp. Rome, July 1944. [In Italian and English.]

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Storage and transportation facilities were far from adequate. Nevertheless, the operations of the Granaries seem to compare not unfavorably with those of the *Ammassi*, which functioned under less disturbed conditions. (See table 1.)

Although the Allied Commission has stated that the results of the collection campaign have been a "qualified success," collection figures, according to the Italian press, are such as to warrant a close scrutiny of the system. In principle, the idea of entrusting local farmers and farm workers with the task of controlling production and collections is undoubtedly sound. Nevertheless, the Communal Committees strongly represent the farmers' viewpoint and their claims for larger family allowances and higher wheat prices. In Sicily, in particular, even Government officials seem to side with the farmers in their demands that the agricultural population be exempted from those restrictions on food consumption that are necessitated by wartime conditions. In several Provinces of Sicily, the violations of pooling regulations have been widespread. Even in the establishment of collection goals, an allowance has been made for an unlawful disposal of at least 471,000 short tons or 12.7 percent of the crop. In fact, the amount of wheat illegally disposed of will exceed this allowance.

Future Prospects

The Communal Committees are now concerned with the task of collecting olive oil, putting to use

the lessons learned in the handling of the wheat crop. By the spring of 1945 these Committees will have grown in experience and perhaps in prestige. Imported farm supplies will allow them to use their power to penalize recalcitrant farmers and reward those farm operators that have shown a greater sense of public responsibility.

Nevertheless, the success or failure of the 1945 collection campaign will hinge to a high degree upon the action taken with regard to the operators of large estates. Inasmuch as control of all wheat-producing holdings is not practicable, any effort to ensure bread to the city dwellers must be based primarily on crop control, speedy threshing, and prompt cityward shipment of the wheat output of the larger estates. As the Sicilian economist Gugino pointed out in the spring of 1944, farms of over 125 acres in size, which in Sicily represent less than 1 percent of all holdings and comprise 36.2 percent of all the land in farm and forest, could be made to deliver at least 200,000 short tons of wheat or 60 percent of the wheat requirements of the ration-card holders of the Island. This suggests the practical importance of concentrating the collection effort on the larger farms.

Beyond the achievements of the present, the Communal Committees are an omen for the future. For many years to come, Italy will need strict production, marketing, and consumption controls. If these controls can be maintained in such a way as to educate the farm people in what is essentially self-rule, then they may prove to be the first steps toward reestablishing a democratic way of life.

TABLE 1.—Wheat collections in Liberated Italy, as of October 31, compared with production and total collections for the year

Region	Wheat collections, October 31—											
	1941			1942			1943			1944		
	Amount	Percentage of—		Amount	Percentage of—		Amount	Percentage of—		Amount	Percentage of—	
		Production	Total collections		Production	Total collections		Production	Total collections		Production	Collection goal
	1,000 short tons	Percent	Percent	1,000 short tons	Percent	Percent	1,000 short tons	Percent	Percent	1,000 short tons	Percent	Percent
Tuscany.....	191	37	83	243	45	93	185	38	(1)	151	39	91
Umbria.....	90	40	85	117	47	93	108	45	(1)	114	42	94
Latium.....	111	35	87	117	35	94	103	34	(1)	53	17	
Marche.....	313	55	90	248	54	96	285	58	(1)	157	41	83
Abruzzi & Molise.....	130	30	86	89	25	89	75	22	(1)	76	25	
Campania.....	35	11	73	52	16	87	23	10	(1)	26	11	96
Puglia.....	259	44	94	197	45	95	140	37	(1)	171	35	71
Lucania.....	86	32	86	79	38	92	29	22	(1)	82	36	79
Calabria.....	50	19	88	42	20	90	11	8	(1)	20	13	64
Sicily.....	270	41	88	134	23	94	104	18	(1)	137	18	62
Sardinia.....	42	25	84	40	28	92	17	10	(1)	27	16	83
Total.....	1,577	37	88	1,358	35	93	1,080	31	(1)	1,014	28	79

¹ No collection data available.

² 1944 collection goals were fixed jointly for Umbria-Latium and Marche-Abruzzi.

Compiled by the Office of Foreign Agricultural Relations from official statistics.